2000-2001 and 2001-2002 respectively for the work plan submitted by the State for different activities.

Price Stabilisation Policy

2890. SHRI K. KALAVENKATA RAO: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government are in the process of working out a price stabilization policy (arrangement) to check rapid fluctuations in market prices of farm produce, particularly, that of cash crops;

(b) if so, whether this would help the farmers; and

(c) whether a final decision is expected in this regard and the likely benefits the farmers will get?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD YESSO NAIK): (a) to (c) In order to stabilize prices of agricultural commodities, the Government is already implementing Agricultural Price Policy. The Government fixes each season the Minimum Support Prices (MSPs) for major agricultural commodities. The MSPs are decided by using a methodology evolved over the years. The Government decides on the MSPs for various agricultural commodities taking into account the recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of State Governments and Central Ministries as well as such other relevant factors, which in the opinion of the Government are important for fixation of the MSPs. Whenever prices fall below MSP level, the specified nodal agencies enter the market and undertake procurement. For commodities not covered under MSP, Market Intervention Scheme (MIS) is under implementation having the same objective of price stabilization, instruments of trade are also being used to check fluctuation in domestic prices.